COMMISSIONERS
MIKE GLEASON
Chairman
JEFF HATCH-MILLER
WILLIAM A. MUNDELL
KRISTIN K. MAYES
GARY PIERCE





(20

## RECEIVED NA CORPORATION COMMISSION

2008 JUN 11 P 3: 35

June 11, 2008

AZ CORP COMMISSION Ms. Cherie KiserDOCKET CONTROL Cahill Gordon & Reindel LLP 1990 K Street, N.W. Washington, D.C. 20006 Arizona Corporation Commission DOCKETED

JUN 1 1 2008

DOCKETED BY UN

RE: Staff's Letter of Insufficiency and Fifth of Data Requests to STi Prepaid, LLC and Dialaround Enterprises Inc.

Docket Nos. T-20517A-07-0135 and T-04045A-07-0135

Dear Ms. Kiser:

On March 2, 2007, STi Prepaid, LLC ("STi") and Dialaround Enterprises Inc. ("DEI") (together "Applicant") filed an application for approval of a transfer of assets and Certificate of Convenience and Necessity ("CC&N") to provide intrastate telecommunications services and approval of termination of service by DEI in Arizona. The Application submitted is not sufficient. This data request lists the information Staff needs to complete its Staff Report.

For purposes of this data request set, the word "STi" refers to STi Prepaid, LLC, any representative, including every person and/or entity acting with, under the control of, or on behalf of STi Prepaid, LLC. Also, the word "DEI" refers to Dialaround Enterprises Inc., any representative, including every person and/or entity acting with, under the control of, or on behalf of Dialaround Enterprises Inc. For each answer, please identify by name, title, e-mail address, telephone number and address each person providing information that forms the basis for the response provided.

These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s).

Please provide Docket Control with the information being requested within 10 days of the date of this letter. Mail an Original plus 15 copies to Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, AZ 85007-2927. If no response is received, Staff will lack information it believes is needed to complete its Staff Report. If Staff is unable to complete its Report, Staff will note this as a substantial amendment to the filing or an extraordinary event and request an extension of time to obtain information needed to complete its Staff Report.

June 11, 2008 Page 2

Remember that information submitted for a CC&N will be made a part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. If you have any questions, please contact me at (602) 542-0856. Thank you for your prompt response to this request.

Respectfully, J. Bastwick

John F. Bostwick

Administrative Services Officer II

**Utilities Division** 

Enclosure(s)

CC: Docket Control (Original and Fifteen Copies)

## STAFF'S FIFTH SET OF DATA REQUESTS TO STI PREPAID, LLC AND DIALAROUND ENTERPRISES INC. DOCKET NOS. T-20517A-07-0135 and T-04045A-07-0135

Please make sure each numbered item and each part of the item is answered completely. If it is not, Staff will resubmit the numbered item(s) and/or part(s) of the item in a following data request. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s). In order for Staff to complete its Staff Report, the following information must be submitted:

JFB5-1. Previously, STi Prepaid responded formally to the ownership of STi Prepaid. Refer to STi Prepaid's Response to Staff First Set of Data Request JFB1-3. Based on the response, Samer Tawfik owns 100% of Dialaround Enterprises, Inc. and Dialaround Enterprises own 25% of STi Prepaid. The remaining 75% of STi Prepaid is owned by Leucadia National Corporation ("Leucadia"). Therefore, Samer Tawfik indirectly owns 25% of STi Prepaid.

In an e-mail dated May 27, 2008 to Kevin Torrey, Cherie Kiser stated that Samer Tawfik is not involved in the day-to-day operations of STi Prepaid. While Mr. Tawfik may not be a daily participant in STi Prepaid's business, it is important to know exactly what Mr. Tawfik does do for STi Prepaid. What decision-making authority does Mr. Tawfik have regarding STi Prepaid? Is Mr. Tawfik a minority shareholder of STi Prepaid? What decision-making authority does Mr. Tawfik have at Dialaround Enterprises? If Mr. Tawfik has significant authority at Dialaround, what prevents Mr. Tawfik from also directing the actions of the STi Prepaid?

- JFB5-2. Please provide the official court documentation regarding the complaint against Mr. Tawfik in which he was ordered to pay \$41,000, including the actual complaint, response, and any briefs in the matter. Did Mr. Tawfik ultimately pay the amount awarded?
- JFB5-3. Please indicate the number of years of work experience Edward McLaughlin has in the telecommunications services industry.